

January 8, 2003

BY OVERNIGHT MAIL

Hugh Humphreys
President
E.B. Lambourne
Technical Director
Delcam plc
Small Heath Business Park
Birmingham, B10 0HJ, UK


Re: PS-Exchange - Online Data Translation

Dear Mr. Humphreys and Mr. Lambourne:

We received Mr. Lambourne's letter of October 24, in response to our letter regarding our U.S. Patent Application No. 09/844,466 and corresponding International Patent Application No. PCT/US01/13427. We appreciate that you believe that you independently developed an idea similar to that claimed in our patent applications. In addition, we appreciate the receipt of your public references to your development. We will provide these references to the appropriate patent authorities in connection with the ongoing review and prosecution of our patents. However, in reviewing your documentation and your product, our view has not changed regarding the patentability of our invention or the similarity of your product to the claims contained in our patent applications.

We would continue to welcome further discussions regarding your product, specifically, your understanding as to how our pending patent claims are not applicable to your product. In order for us to undertake this analysis, we would need access to a technical description of how your product works, including special algorithms or techniques, not just the public disclosure regarding the product. Alternatively, in light of the ongoing cordial relationship between our companies, we would be happy to discuss Delcam's continuing use of our proprietary technology through a license. We look forward to hearing back from you at your convenience.

Very truly yours,


Lori M. Henderson
General Counsel

Cc: Roland Thomas
Ken Welch